THE IOWA STATE BAR ASSOCIATION
Official Form No. 142

Daniel H. Swift ISBA # 5400

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

Entered for taxation 5th day
of August A.D., 2004
Sharon McCrabb Auditor
By Chuck Beebe, Deputy
5-131

RECORDER FEE $ 37.00
TRANSFER FEE $ 5.00

BOOK 2004 PAGE 2944
DEBORAH L. PEYTON
DELAWARE CO. RECORDER

2004 AUG -5 PM 2:21

DELAWARE COUNTY IOWA
FILED

Preparer Information: Daniel H. Swift, 108 North Madison Street, Manchester, (563) 927-4901
Individual's Name | Street Address | City | Phone

Address Tax Statement: Callie McDonald, 109 1/2 W. Mission Street, Strawberry Point, Iowa 52076

SPACE ABOVE THIS LINE FOR RECORDER

REAL ESTATE CONTRACT- INSTALLMENTS

BUSINESS AND PERSONAL PROPERTY PURCHASE AGREEMENT

IT IS AGREED this 12 day of July, 2004, by and between Sean K. Dailey and Judith A. Dailey, husband and wife; and Dailey, Inc., an Iowa Business Corporation

of the County of Delaware, State of Iowa, Sellers; and Callie McDonald, a married person,

of the County of Clayton, State of Iowa, Buyers;

That the Sellers, as in this contract provided, agree to sell to the Buyers, and the Buyers in consideration of the premises, hereby agree with the Sellers to purchase the following described real estate situated in the County of Delaware, State of Iowa, to-wit:

The East one-half (E 1/2) of the West two-thirds (W 2/3) of Lot One Hundred Thirty Eight (138), Manchester, Iowa, according to plat recorded in Book I, L.D., Pages 284-285

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, and certain personal property if and as may be herein described or if and as an itemized list is attached hereto and marked "Exhibit A" all upon the terms and conditions following:

1. TOTAL PURCHASE PRICE. The Buyers agree to pay for said property the total of $ 75,000.00 due and payable at 808 East Union Street, Manchester, Iowa 52057, Delaware County, Iowa, as follows:

(a) DOWN PAYMENT of $ 0.00 RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED: and

(b) BALANCE OF PURCHASE PRICE. $ 75,000.00, as follows:

$1,435.00 per month with interest at the rate of 8.5% per annum, on the date of the execution of this Contract and $1,435.00 on or before the monthly anniversary of this Contract and each month thereafter for ten (10) consecutive months; then $935.00 per month with interest at the rate of 8.5% per annum each month on or before the anniversary of each month thereafter until three (3) years from the date of this Contract, 2007, when all sums due on this Real Estate Contract - Installments/Business and Personal Property Purchase Agreement shall be immediately due and payable as a balloon payment; attached hereto and identified as Exhibit "A" is amortization schedule and said Exhibit "A" is incorporated herein by this reference. The amount paid herein includes personal property purchase price.

~~2. POSSESSION. Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the _____ day of _____, _____, and thereafter so long as they shall perform the obligations of this contract. If Buyers are taking subject to the rights of lessees and are entitled to rentals therefrom on and after date of possession, so indicate by "yes" in the space following: _____.~~

3. TAXES. Sellers shall pay proration of taxes to date of closing and any unpaid taxes thereon payable in prior years. Buyers shall pay any taxes not assumed by Sellers and all subsequent taxes before same become delinquent. Whoever may be responsible for the payment of said taxes, and the special assessments, if any, each year, shall furnish to the other parties evidence of payment of such items not later than July 15 of each year. Any proration of taxes shall be based upon the taxes for the year currently payable unless, the parties state otherwise. (Decide, for yourself, if that formula is fair if Buyers are purchasing a lot with newly built improvements).

4. SPECIAL ASSESSMENTS. Sellers shall pay the special assessments against this property:

~~(a) Which, if not paid, in the year _____, would become delinquent and all assessments payable prior thereto.~~

(b) Which are a lien thereon as of the date of this Contract (Date).

(c) Including all sewage disposal assessments for overage charge heretofore assessed by any municipality having jurisdiction as of date of possession.

Buyers, except as above stated, shall pay all subsequent special assessments and charges before they become delinquent.

5. MORTGAGE. Any mortgage or encumbrance of a similar nature against the said property shall be timely paid by Sellers so as not to prejudice the Buyers' equity herein. Should Sellers fail to pay, Buyers may pay any such sums in default and shall receive credit on this contract for such sums so paid. MORTGAGE BY SELLERS. Sellers, their successors in interest or assigns may, and hereby reserve the right to at any time mortgage their right, title or interest in such premises or to renew or extend any existing mortgage for any amount not exceeding 100 % of the then unpaid balance of the purchase price herein provided. The interest rate and amortization thereof shall be no more onerous than the installment requirements of this contract. Buyers hereby expressly consent to such a mortgage and agree to execute and deliver all necessary papers to aid Sellers in securing such a mortgage which shall be prior and paramount to any of Buyers' then rights in said property. DEED FOR BUYERS SUBJECT TO MORTGAGE. If Buyers have reduced the balance of this contract to the amount of any existing mortgage balance on said premises, they may at their option, assume and agree to pay said mortgage according to its terms, and subject to such mortgage shall receive a deed to said premises; or Sellers, at their option, any time before Buyers have made such a mortgage commitment, may reduce or pay off such mortgage. ALLOCATED PAYMENTS. Buyers, in the event of acquiring this property from an equity holder instead of a holder of the fee title, or in the event of a mortgage against said premises, reserve the right, if reasonably necessary for their protection to divide or allocate the payments to the interested parties as their interests may appear. SELLERS AS TRUSTEES. Sellers agree that they will collect no money hereunder in excess of the amount of the unpaid balance under the terms of this contract less the total amount of the encumbrance on the interest of Sellers or their assigns in said real estate; and if Sellers shall hereafter collect or receive any moneys hereunder beyond such amount, they shall be considered and held as collecting and receiving said money as the agent and trustee of the Buyers for the use and benefit of the Buyers.

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6. **INSURANCE.** Except as may be otherwise included in the last sentence of paragraph 1(b) above, Buyers as and from said date of possession, shall constantly keep in force insurance, premiums therefore to be prepaid by Buyers (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Sellers may reasonably require on all buildings and improvements, now on or hereafter placed on said premises and any personal property which may be the subject of this contract, in companies to be reasonably approved by Sellers in an amount not less than the full insurable value of such improvements and personal property or not less than the unpaid purchase price herein whichever amount is smaller with such insurance payable to Sellers and Buyers as their interests may appear. Sellers' interest shall be protected in accordance with a standard ot union-type loss payable clause. BUYERS SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER RIDERS WITH SELLERS for the further security for the payment of the sums herein mentioned. In the event of any such casualty loss, the insurance proceeds may be used under the supervision of the Sellers to replace or repair the loss if the proceeds be adequate; if not, then some other reasonable application of such funds shall be made; but in any event such proceeds shall stand as security for the payment of the obligations herein.

7. **CARE OF PROPERTY.** Buyers shall take good care of this property; shall keep the buildings and other improvements now or hereafter placed on the said premises in good and reasonable repair and shall not injure, destroy or remove the same during the life of this contract. Buyers shall not make any material alteration in said premises without the written consent of the Sellers. Buyers shall not use or permit said premises to be used for any illegal purpose.

8. **LIENS.** No mechanics' lien shall be imposed upon or foreclosed against the real estate described herein.

9. **ADVANCEMENT BY SELLERS.** If Buyers fail to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Sellers may, but need not, pay such taxes, special assessments, insurance and make necessary repairs, and all sums so advanced shall be due and payable on demand or such sums so advanced may, at the election of Sellers, be added to the principal amount due hereunder and so secured (For Buyers' rights to make advancements, see paragraph 5 above.)

10. **JOINT TENANCY IN PROCEEDS AND SECURITY RIGHTS IN REAL ESTATE.** If and only if, the Sellers immediately preceding this sale, hold the title to the above described property in joint tenancy, and such joint tenancy has not later been destroyed by operation of law or by acts of the Sellers, this sale shall not constitute such destruction and the proceeds of this contract, and any continuing and/or recaptured rights of Sellers in said real estate, shall be and continue in Sellers as joint tenants with rights of survivorship and not as tenants in common; and Buyers, in the event of the death of one of such joint tenants, agree to pay any balance of the proceeds of this contract to the surviving Seller (or Sellers) and to accept deed solely from him or them consistent with paragraph 14 below unless and except this paragraph is stricken from this agreement.

11. **SELLERS.** Spouse, if not titleholder immediately preceding this sale, shall be presumed to have executed this instrument only for the purpose at relinquishing all rights of dower, homestead and distributive share and/or in compliance with section 561.13 Code of Iowa; and the use of the word "Sellers" in the printed portion of this contract, without more, shall not rebut such presumption, nor in any way enlarge or extend the previous interest of such spouse in said property, or in the sale proceeds, nor bind such spouse except as aforesaid, to the terms and provisions of this contract.

12. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement. Failure to promptly assert rights of Sellers herein shall not, however, be waiver of such rights or a waiver of any existing or subsequent default.

13. **EXCEPTIONS TO WARRANTIES OF TITLE.** The warranties of title in any Deed made pursuant to this contract (See paragraph 14) shall be without reservation or qualification EXCEPT: (a) Zoning ordinances; (b) Such restrictive covenants as may be shown of record; (c) Easements of record, if any; (d) As limited by paragraphs 1, 2, 3 and 4 of this contract; (e) Sellers shall give Special Warranty as to the period after equitable title passes to Buyers; (f) Spouse if not titleholder, need not join in any warranties of the deed unless otherwise stipulated:

(g) _____ _____
(Mineral reservations of record?)

(h) _____
(Liens?) (Easements not recorded?) (Interests of other parties?) (Lessees?)

14. **DEED AND ABSTRACT BILL OF SALE.** If all said sums of money and interest are paid to Sellers during the life of this contract, and all other agreements for performance by Buyers have been complied with, Sellers will execute and deliver to Buyers a _____ Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract and Sellers will at this time deliver to Buyers an abstract showing merchantable title in conformity with this contract. Such abstract shall begin with the government patent (unless pursuant to the Iowa State Bar Association title standards there is lesser requirement as to period of abstracting) to said premises and shall show title thereto in Sellers as of the date of this contract; or as of such earlier date if and as designated in the next sentence. This contract supersedes the previous written offer of Buyers to buy the above described property which was accepted by Sellers on the _____ day of _____, _____. Sellers shall also pay the costs of any abstracting due to any act or change in the personal affairs of Sellers resulting in a change of title by operation of law or otherwise. If any personal property is a part of this agreement, then upon due performance by Buyers, Sellers shall execute and deliver a Bill of Sale consistent with the terms of this contract. Sellers shall pay all taxes on any such personal property payable in _____, and all taxes thereon payable prior thereto.

15. **APPROVAL OF ABSTRACT.** Buyers have not examined the abstract of title to this property and such abstract is _____ accepted.

16. **FORFEITURE.** If Buyers (a) fail to make the payments aforesaid, or any part thereof, as same become due; or (b) fail to pay the taxes or special assessments or charges, or any part thereof, levied upon said property, or assessed against it, by any taxing body before any of such items become delinquent; or (c) fail to keep the property insured; or (d) fail to keep it in reasonable repair as herein required; or (e) fail to perform any of the agreements as herein made or required; then Sellers, in addition to any and all other legal and equitable remedies which they may have, at their option, may proceed to forfeit and cancel this contract as provided by law (Chapter 656 Code of Iowa). Upon completion of such forfeiture Buyers shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and/or improvements if any shall be retained and kept by Sellers as compensation for the use of said property, and/or as liquidated damages for breach of this contract ; and upon completion of such forfeiture, if the Buyers, or any other person or persons shall be in possession of said real estate or any part thereof, such party or parties in possession shall at once peacefully remove therefrom, or failing to do so may be treated as tenants holding over, unlawfully after the expiration of lease, and may accordingly be ousted and removed as such as provided by law.

17. **FORECLOSURE AND REDEMPTION.** If Buyers fail to timely perform this contract, Sellers, at their option, may elect to declare the entire balance immediately due and payable after such notice, if any, as may be required by Chapter 654, The Code. Thereafter this contract may be foreclosed in equity and the court may appoint a receiver to take immediate possession of the property and of the revenues and income accruing therefrom and to rent or cultivate the same as the receiver may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Buyers only for the net profits, after application of rents, issues and profits from the costs and expenses of the receivership and foreclosure and upon the contract obligation.

It is agreed that if this contract covers less than ten (10) acres of land, and in the event of the foreclosure of this contract and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Sellers, in such action file an election to waive any deficiency judgment against Buyers which may arise out of the foreclosure proceedings: all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Buyers, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this contract shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) The real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this contract at the time of such foreclosure; and (3) Sellers in such action file an election to waive any deficiency judgment against Buyers or their successor in interest in such action. If the redemption period is so reduced, Buyers or their successor in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Buyers shall be presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

18. **ATTORNEY'S FEES.** In case of any action, or in any proceedings in any Court to collect any sums payable or secured herein, or to protect the lien or title herein of Sellers, or in any other case permitted by law in which attorney 's fees may be collected from Buyers, or imposed upon them, or upon the above described property, Buyers agree to pay reasonable attorneys' fees.

19. **INTEREST ON DELINQUENT AMOUNTS.** Either party will pay interest at the highest legal contract rate applicable to a natural person to the other on all amounts herein as and after they become delinquent, and/or on cash reasonably advanced by either party pursuant to the terms of this contract, as protective disbursements.

20. **ASSIGNMENT.** In case of the assignment of this contract by either of the parties, prompt notice shall be given to the other parties, who shall at the time of such notice be furnished with duplicate of such assignment by such assignors. Any such assignment shall not terminate the liability of the assignor to perform, unless a specific release in writing is given and signed by the other party to this contract.

21. **PERSONAL PROPERTY.** If this contract includes the sale of any personal property, then in the event of the forfeiture or foreclosure of this contract, such property shall be considered indivisible with the real estate above described; and any such termination of Buyers' rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereof against all such personal property.

22. **CONSTRUCTION.** Words and phrases herein, including acknowledgements hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context. See paragraph 11 above, for construction of the word "Sellers."

23. **RELEASE OF RIGHTS.** Each of the Buyers hereby relinquishes all rights of dower, homestead and distributive share in and to the property and waives all rights of exemption as to any of the property.

24. **LEAD-BASED PAINT NOTICE.** If applicable, see attached Disclosure of Information on Lead-Based and/or Lead-Based Paint Hazards.

25. **SPECIAL PROVISIONS.**

See attached Exhibit "B"

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated: _____, _____ _____

Dated: _____, _____ _____

Executed in duplicate or triplicate

Sean K Dailey
Sean K. Dailey

Judith A Dailey
Judith A. Dailey
SELLERS

808 East Union Street
Manchester, Iowa 52057
SELLERS' ADDRESS

Callie McDonald
Callie McDonald

BUYERS

109 1/2 W. Mission Street
Strawberry Point, Iowa 52076
BUYERS' ADDRESS

STATE OF IOWA, DELAWARE COUNTY, ss:

This instrument was acknowledged before me on July 12, 2004

by, Sean K. Dailey and Judith A. Dailey, husband and wife, Sellers

Michele Lee Wright
Notary Public

MICHELE LEE WRIGHT
COMMISSION NUMBER 177780
MY COMMISSION EXPIRES
7-8-06
IOWA NOTARIAL SEAL

DAILEY, INC.
By Sean K Dailey President
Sean K. Dailey, President

STATE OF IOWA, COUNTY OF DELAWARE, ss:

On this 12th day of July, 2004, before me, the undersigned, a Notary Public in and for the said State, personally appeared Sean K. Dailey ~~and~~ _____, to me personally known, who being by me duly sworn, did say that ~~they are~~ he is the President ~~and~~ _____, ~~respectively~~, of the corporation executing the within and foregoing instrument **to which this is attached,** that (no seal has been procured by the) ~~(the seal affixed thereto is the seal of the)~~ corporation; that the instrument was signed ~~**(and sealed)**~~ on behalf of the corporation by authority of its Board of Directors; and that Sean K. Dailey ~~and~~ _____ as officers acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by ~~them~~ him voluntarily executed.

MICHELLE LEE WRIGHT
COMMISSION NUMBER 177760
MY COMMISSION EXPIRES 1-27-07
IOWA NOTARIAL SEAL

Michelle Lee Wright, Notary Public in and for said State.

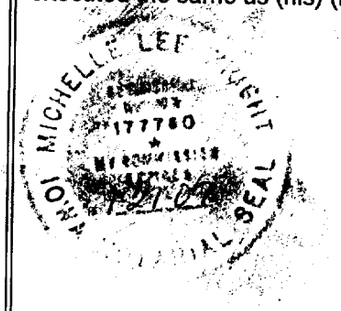
(Section 558.39, Code of Iowa)

Acknowledgment: For use in the case of corporations

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STATE OF IOWA, COUNTY OF Delaware, ss:

On this 12th day of July, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared Callie McDonald, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that ~~(he)~~ (she) executed the same as ~~(his)~~ (her) voluntary act and deed.



Michelle Lee Wright, Notary Public in and for said State.

(Section 558.39, Code of Iowa)

Acknowledgment: For use in the case of natural persons acting in their own right

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EXHIBIT "A"

Monday Jul 12, 2004 9:36 AM

Loan Calculator

Loan Amount	75,000.00		Type	Freq		Date 1st	Pymts	Payment Amt
Interest Rate	8.5000	1	0	M	1	07/12/2004	10	1,435.00
Days Per Month 1	Days Per Year 1	2	0	M	1	05/12/2005	25	935.00
Date Opened	07/12/2004	3	0	M	1	06/12/2007	1	52,574.71
Minimum Finance Charge	0.00	4	9		0		0	0.00
Add-on Finance Charge	0.00	5	9		0		0	0.00
Prepaid Finance Charges	0.00	6	9		0		0	0.00
Credit Life Rate 0	0.0000%	7	9		0		0	0.00
Accident/Health Rate 0	0.0000%	8	9		0		0	0.00
Annual Percentage Rate	8.5061%	Maturity Term						35 Months
Amount Financed	75,000.00	Maturity Date						06/12/2007
Total Finance Charge	15,299.71	Credit Life Premium						0.00
Total of Payments	90,299.71	Accident/Health Premium						0.00

Pymt	Pymt Date	Principal	Interest	Balance	Int Paid	Int YTD
1	07/12/2004	1,435.00	.00	73,565.00	.00	.00
2	08/12/2004	903.93	531.07	72,661.07	531.07	531.07
3	09/12/2004	910.44	524.56	71,750.63	1,055.63	1,055.63
4	10/12/2004	933.73	501.27	70,816.90	1,556.90	1,556.90
5	11/12/2004	923.76	511.24	69,893.14	2,068.14	2,068.14
6	12/12/2004	946.71	488.29	68,946.43	2,556.43	2,556.43
7	01/12/2005	937.26	497.74	68,009.17	3,054.17	497.74
8	02/12/2005	944.03	490.97	67,065.14	3,545.14	988.71
9	03/12/2005	997.70	437.30	66,067.44	3,982.44	1,426.01
10	04/12/2005	958.05	476.95	65,109.39	4,459.39	1,902.96
11	05/12/2005	480.12	454.88	64,629.27	4,914.27	2,357.84
12	06/12/2005	468.43	466.57	64,160.84	5,380.84	2,824.41
13	07/12/2005	486.76	448.24	63,674.08	5,829.08	3,272.65
14	08/12/2005	475.32	459.68	63,198.76	6,288.76	3,732.33
15	09/12/2005	478.76	456.24	62,720.00	6,745.00	4,188.57
16	10/12/2005	496.82	438.18	62,223.18	7,183.18	4,626.75
17	11/12/2005	485.80	449.20	61,737.38	7,632.38	5,075.95
18	12/12/2005	503.68	431.32	61,233.70	8,063.70	5,507.27
19	01/12/2006	492.94	442.06	60,740.76	8,505.76	442.06
20	02/12/2006	496.51	438.49	60,244.25	8,944.25	880.55
21	03/12/2006	542.17	392.83	59,702.08	9,337.08	1,273.38
22	04/12/2006	504.00	431.00	59,198.08	9,768.08	1,704.38
23	05/12/2006	521.42	413.58	58,676.66	10,181.66	2,117.96
24	06/12/2006	511.41	423.59	58,165.25	10,605.25	2,541.55
25	07/12/2006	528.64	406.36	57,636.61	11,011.61	2,947.91
26	08/12/2006	518.91	416.09	57,117.70	11,427.70	3,364.00
27	09/12/2006	522.66	412.34	56,595.04	11,840.04	3,776.34
28	10/12/2006	539.61	395.39	56,055.43	12,235.43	4,171.73
29	11/12/2006	530.32	404.68	55,525.11	12,640.11	4,576.41
30	12/12/2006	547.09	387.91	54,978.02	13,028.02	4,964.32
31	01/12/2007	538.10	396.90	54,439.92	13,424.92	396.90
32	02/12/2007	541.99	393.01	53,897.93	13,817.93	789.91
33	03/12/2007	583.55	351.45	53,314.38	14,169.38	1,141.36
34	04/12/2007	550.12	384.88	52,764.26	14,554.26	1,526.24
35	05/12/2007	566.37	368.63	52,197.89	14,922.89	1,894.87
36	06/12/2007	52,197.89	376.82	.00	15,299.71	2,271.69
The last payment will vary depending on early/late payments						52,574.71

EXHIBIT "A"

EXHIBIT "B"

25. SPECIAL PROVISIONS.

1. **AGREEMENT FOR NO SUBLETTING AND/OR SUBLEASING** - Buyer agrees that she shall not, during the term of this Contract, sublet or lease the premises described herein. The consideration for this agreement is the purchase price.

2. **INSURANCE** - Buyer shall direct her insurance agent and/or insurance company to provide Sellers with notice of insurance and a copy of the Declarations page of the insurance policy relating to the real estate and personal property herein; Buyer's insurance agent shall also provide to Sellers notice of any delinquency in payment of the premium insuring the real estate and/or personal property hereunder. Buyers shall direct insurance agent and/or insurance company to lists Sellers as loss payees on the policy.

3. **ACCOUNTS RECEIVABLE and ACCOUNTS PAYABLE** - Sellers shall be entitled to all Accounts Receivables to the date of this Contract; Sellers shall be responsible for all Accounts Payable to the date of the Contract. Buyer shall be responsible for any Accounts Payable subsequent to the date of this Contract.

4. **PERSONAL PROPERTY** - Dailey, Inc. is the owner of the following described personal property which is the subject of this Agreement, to-wit: 11 Neons; 6 tables; 36 chairs; 31 bar stools; 5 Miller Lite booth lights; 4 wall tables; pool cue display case; large wooden cribbage board; Phillips Magnavox TV Serial #12608897; Toshiba TV Serial #7456687; GE TV Serial #139616047; one large Smokeater #1 Serial #84768; one small Smokeater #2 Serial #148213; Cannon calculator model P1-DHII; front stand-up cooler Serial #325245; back cooler Serial #3-75243; big fan Serial #F48F71B82 or 7C02; alarm Serial #116968; Magnavox TV Serial #30596779; LXI TV Serial #037430621; blender Model #35BL41; large up-right GE freezer Serial #ZG163353 #CA 16DMD RHW; Quick & Crispy cooler Serial #600721; Amana microwave Serial #8801103108; cash register Serial #9805300657; ice maker Model #CECS3AE/S2-WE/S2; back freezer Serial #021128500; scrolling sign Serial #A42172; stainless steel cooking stand; Dirt Devil Vac Model #M08230C.

Seller, Dailey, Inc., shall provide to Buyer a Bill of Sale to said personal property upon full and complete performance of this Contract. Buyer hereby grants to Sellers a security interest in and to said personal property and agree to sign a Security Agreement and any documents necessary to perfect the lien with the Iowa Secretary of State.

Buyer agrees that the personal property shall be subject to the forfeiture provisions of this Contract.

5. **PERSONAL PROPERTY WARRANTIES** - Seller, Dailey, Inc., and/or Sean K. Dailey and Judith A. Dailey, make no warranties or representations concerning the real estate and/or personal property; said items are sold "as is" and "with all faults". Buyers attention is directed to this exclusion of warranties and there are no implied warranties of fitness for a particular purpose or merchantability - usage of trade. Sellers further acknowledge that no express warranties by affirmation, promise, description, or sample have been given by Sellers.

6. **RIGHT OF INSPECTION** - Sellers shall retain the right of inspection of said real estate at all reasonable times and places. Sellers shall provide Buyers notice of their intent to inspect the real estate and shall provide Buyers with a date and time of inspection. Sellers shall have the exclusive right to have the property inspected by Sellers, their agents, and other persons designated by Sellers.

7. **FORFEITURE/FORECLOSURE AND REDEMPTION** - The provisions of paragraph 16 and paragraph 17 of this Contract apply to the Business and Personal Property Purchase Agreement entered into herein and said personal property shall be forfeitable and forecloseable under this Agreement.

8. **COST OF TRANSACTION** - Buyers shall pay all costs incurred by Sellers of this transaction, including but not limited to, attorney fees, recording fees, filing fees and any other associated costs upon demand by Sellers.

9. **MODIFICATION AND BINDING EFFECT** - No alteration or other modification of this Agreement shall be effective unless such modification shall be in writing and signed by the parties. This Agreement shall be binding upon the parties and shall inure to the benefit of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement at Manchester, Delaware County, Iowa, the day and year first above written.

Sean K. Dailey, Seller

Callie McDonald, Buyer

Judith A. Dailey, Seller

DAILEY, INC.

By Sean K. Dailey President
Sean K. Dailey, President